

**FILED**

**JAN 24 2011**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

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Steven F. Alder (Bar No. 0033)  
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1594 West North Temple, Suite 300  
Salt Lake City, Utah 84116  
Telephone: (801) 538-5348

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**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

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UTAH DIVISION OF OIL, GAS AND  
MINING,

Petitioners,

BRYCE HAAS fdba as B & H STONE  
SUPPLY,

Respondent.

DIVISION'S EXHIBITS

Docket No. 2010-028  
Cause No. M/03/013

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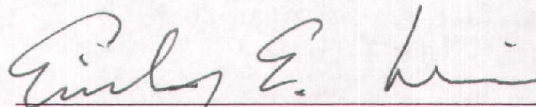
The Division of Oil, Gas, and Mining ("Division"), by and through its counsel, hereby  
submits the following Exhibits:

- A. Transitional Reclamation Contract
- B. Division Inspection Report Summary
- C. Map of Disturbance
- D. Letter of Credit No. 015413040
- Rebuttal Exhibit A: SITLA Lease Summary



FILED  
JAN 24 2011  
TO GRACE WATERBURY  
DIVISION OF OIL, GAS AND MINING

Respectfully submitted this 24 day of January, 2011



Emily E. Lewis (Bar No #13281)

Steven F. Alder (Bar No. 0033)

Assistant Attorneys General

Counsel for Division of Oil, Gas and Mining

# EXHIBIT A



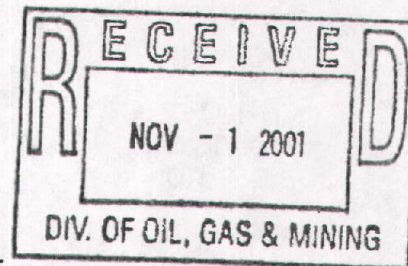
FORM MR-TRC  
RECLAMATION CONTRACT  
(SMO - LMO transition)  
(Revised April 17, 2001)

DOGM File Number M/039/013

Effective Date Nov 5, 2001

Other Agency File Number ML 48313-MP

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940



TRANSITIONAL RECLAMATION CONTRACT  
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/039/013  
(Mineral Mined) Limestone

"MINE LOCATION":  
(Name of Mine) B & C Limestone Quarry  
(Description) 1.1 mile south of Fayette, Utah

"DISTURBED AREA":  
(Disturbed Acres) 23.25 acres  
(Legal Description) (refer to "Attachment A")  
(Topographic Map) ("Attachment C", disturbed area boundary)

"OPERATOR":  
(Company or Name) Bryce H. Haas  
(Address) 331 E 200 S  
Lindon, UT 84042  
(Phone) quarry: (435) 528-5342  
home: (801) 796-6207

"OPERATOR'S REGISTERED AGENT":  
(Name) Bryce H. Haas  
(Address) 331 E 200 S  
Lindon, UT 84042  
(Phone) quarry: (435) 528-5342  
home: (801) 796-6207



OPERATOR'S OFFICER(S)":

Bryce H. Haas - Owner

"SURETY":

(Form of Surety - Attachment B)

Letter of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Far West Bank

#015413040

"SURETY AMOUNT":

\$36,000.00

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Bryce H. Haas the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division"). A Reclamation Contract is required under Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules.

WHEREAS, Operator has exceeded the approved five (5) acre threshold for a small mining operation, R647-3-113, and Operator desires to continue mining operations for an "interim" period of not more than 12 months, upon areas already disturbed. Within 90 days of the filing of this contract and reclamation surety, the operator agrees to file a complete Notice of Intention to Commence Large Mining Operations (Form MR-LMO) describing a detailed mining and reclamation plan for continued operations at this site. An approved Large Mining Notice of Intention must be in place at the end of a 12 month time period following Division receipt of this contract. Any extension of this filing time period will be in writing and at the sole discretion of the Division.

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the



Division. The approved form and amount of surety is attached hereto as Attachment B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Division in writing. If the form of surety expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the surety, the Operator shall provide a replacement surety in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.

3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules including but not limited to, the previously accepted Small Mining Notice, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies 1) that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, and the previously accepted Small Mining Notice, as amended, or 2) until a mining and reclamation plan for a large mining operation has been approved by the Division and the final Reclamation Contract and surety are in place.
6. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
7. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah, and is in addition to any other rights and authorities the Division and Board have to seek relief from the Operator.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.



10. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an Order to revoke the Small Mining Notice of Intention, order reclamation, or order forfeiture of the surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract including the Small Mining Notice of Intention, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

Bryce H. Haas  
Operator Name

By Bryce H. Haas  
Authorized Officer (Typed or Printed)

Owner  
Authorized Officer - Position

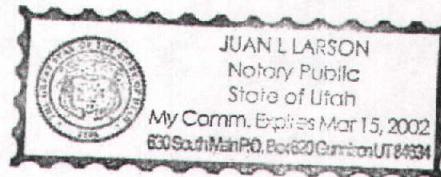
B. H. Haas  
Officer's Signature

10-30-01  
Date

STATE OF UTAH )  
COUNTY OF Sanpete ) ss:

On the 30 day of Oct, 2001, Bryce H. Haas  
personally appeared before me, who being by me duly sworn did say that he/she is the  
owner of B & C Limestone Quarry and duly  
acknowledged that said instrument was signed on behalf of said company by authority of its  
bylaws or a resolution of its board of directors and said Bryce H. Haas  
duly acknowledged to me that said company executed the same.

Juan L. Larson  
Notary Public  
Residing at Camden  
March 15 02  
My Commission Expires:





DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton  
Lowell P. Braxton, Director

11/5/01  
Date

STATE OF Utah  
COUNTY OF Salt Lake ) ss:

On the 5<sup>th</sup> day of November, 2001, Lowell P. Braxton  
personally appeared before me, who being duly sworn did say that he/~~she~~, the said Lowell P. Braxton  
is the Director of the Division of Oil, Gas and Mining, Department  
of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~  
executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, UT

February 29, 2004  
My Commission Expires:



ATTACHMENT "A"

Bryce H. Haas  
Operator

M/039/013  
Permit Number

B & C Limestone Quarry  
Mine Name

Sanpete County, Utah

LEGAL DESCRIPTION

*Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.*

The detailed legal description of lands disturbed is:

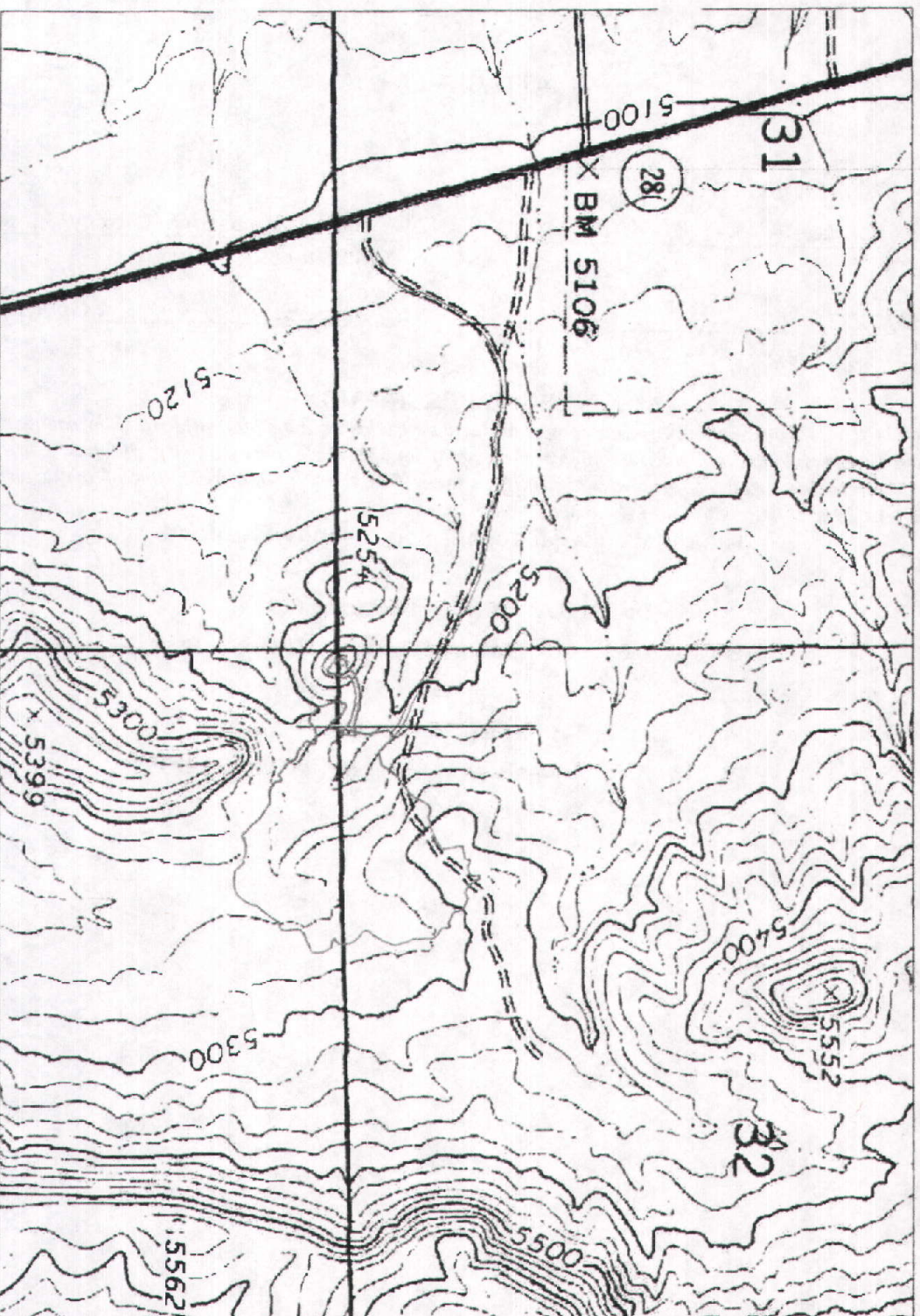
South 1/2 of the Southwest 1/4  
Section 32, Township 18 South, Range 1 East  
and

Lots 3 & 4 of the Northwest 1/4  
Section 5, Township 19 South, Range 1 East  
Sanpete County, Utah



# B & C Limestone Quarry

M/039/013



Access Road

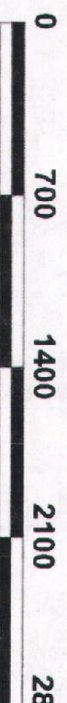
Disturbed Area

Gunnison Quad

T 18 S, R 1 E, Sec. 32  
T 19 S, R 1 E, Sec. 5

Prepared by DOGM  
using GPS data

This product may not meet DOGM standards for accuracy and content. Different data sources and input scales may cause some misalignment of data layers.





# EXHIBIT B



Summary of Division of Oil, Gas and Mining Inspection Reports for B & C Limestone Quarry  
Exhibit B

<b>Date:</b>	<b>Action</b>	<b>Summary/Actions to be taken:</b>
3/17/2010	Inspection Report B & C Quarry	Mr. Haas has failed to substantially reclaim the B & C Quarry.
1/06/2010	Inspection Report B & C Quarry	No reclamation work completed since August visit. Division should consider forfeiture of bond to complete reclamation.
8/26/2009	Inspection Report B & C Quarry	SITLA inspected site and expressed concerned that no work had been completed since June 1, 2009 inspection (7/7/2009 report). There has been little reclamation work and much more grading will need to occur to meet the 10/31/2009 deadline verbally agreed to.
7/7/2009	Inspection Report B & C Quarry	Inspection to review with SITLA and operator to determine what needed to be done to complete reclamation. Operator has had mechanical problems prohibiting completing reclamation.
3/11/2009	Inspection Report B & C Quarry	Some equipment remains and much grading needs to be done to satisfactorily reclaim the land.
5/09/2008	Inspection Report B & C Quarry	The office has been razed but little regarding the quarry. Mr. Haas indicated he has had equipment failures but has been working on reclamation.
9/05/2007	Inspection Report B & C Quarry	No significant change since the 4/25/2007 inspection.
4/25/2007	Inspection Report B & C Quarry	Reclamation activities are close to being on schedule as outlined in the Division's 12/6/2006 letter.
2/15/2007	Inspection Report B & C Quarry	Operator is close to completing reclamation by timeline in 12/06/2006 reclamation agreement.
11/17/2006	Inspection Report B & C Quarry	Inspection on 8/31/2006 found site inactive and some auxiliary reclamation activity but no reclamation on the actual quarry site. Inspector contacted Bryce Haas to discuss reclamation requirements and reclamation/surety deadline of 10/31/2006.
11/13/2006	Inspection Report B&C Quarry	Inspection on 11/8/2006 found mine inactive/abandoned and without the reclamation work required by CO MC-06-01-06. Several apparently abandoned vehicles and machinery are also on the site. Report recommends site be reclaimed and operator be notified he is in failure to abate situation. Photos attached.
11/08/2006	Notice of Failure to Abate CO MC-06-01-09 to Bryce Haas from Daron R. Haddock, Permit Supervisor.	Notifies Haas that CO MC-06-01-06 has not been abated by maintaining an adequate surety or a request for a stop work conference to modify the order. A civil penalty of not less than \$750 per day will be assessed until CO is abated.
10/6/2006	Administrative Violations Inspector's Statement	Inspection states that operator has filed for bankruptcy and failed to maintain a surety. Upon learning his LOC would not be renewed, operator began reclamation of site and expressed good faith commitment to perform reclamation as required.

\* Summary prepared by Emily E. Lewis, Assistant Attorney General, Counsel for the Division of Oil, Gas and Mining with assistance from Paul Baker, Minerals Program Manager, Utah Division of Oil, Gas and Mining and Lynn Kunzler, Senior Reclamation Specialist, Utah Division of Oil, Gas and Mining.



# EXHIBIT C

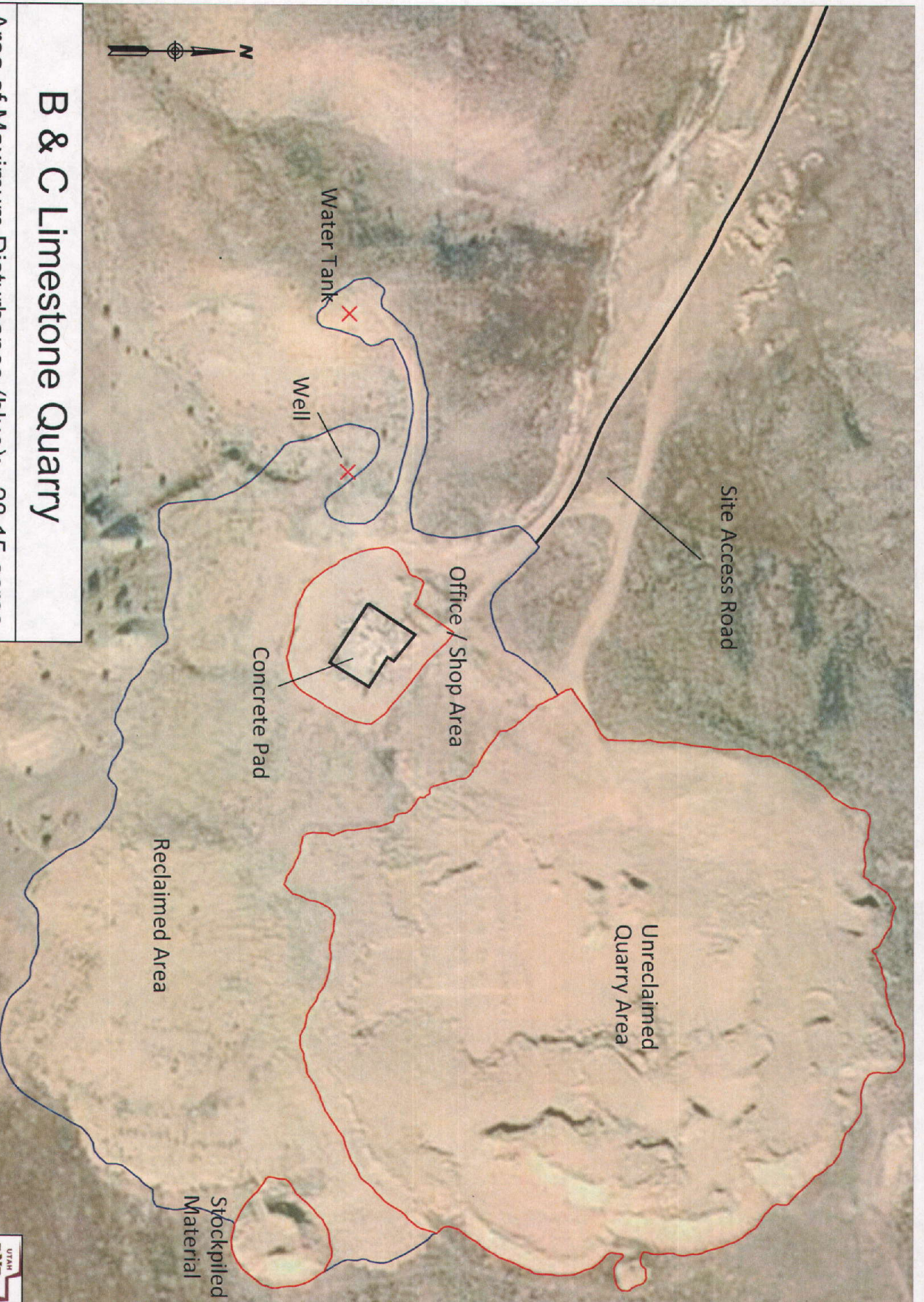


# B & C Limestone Quarry

Area of Maximum Disturbance (blue): 28.15 acres  
Area Requiring Reclamation (red): 16.07 acres

0 100 200 300 ft

Drawing Date: January 20, 2011





# EXHIBIT D





Consumer Loan Department

Letter of Credit No. 015413040

Date: 08-06-01

UTAH DIVISION OF OIL, GAS AND MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

RECEIVED

SEP 20 2001

DIVISION OF  
OIL, GAS AND MINING

Gentlemen and Ladies:

1. Far West Bank ("Surety") of Provo, Utah hereby establishes this irrevocable letter of credit ("the Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not exceed \$36,000.00 in United States dollars ("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on 08-30-03 or (b) the upon date which sufficient documents are executed by the Division to release Bryce Haas from further liability for reclamation of the B & C Limestone Mine, M-039-013 with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for cancellation.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the surety gives notice to the Division 90 days prior to the expiration date that the Surety elects not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. 015413040 delivered to the office of the Surety, Far West Bank 201 East Center St. Provo Utah, 84606. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Surety receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiation or termination of this Letter of Credit, the Surety will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the surety's receipt of the sight draft and cerificate and in such a manner as the Division may specify.

6. The Surety will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any



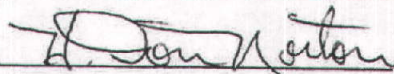
violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Surety Far West Bank 201 East Center, Provo Utah, 84606, referencing Letter of Credit No. 015413040.

Very Truly Yours,

Far West Bank  
The Surety/ or Bank

By: H Don Norton  
  
(Authorized Signature)

Title: President & CEO



# REBUTTAL EXHIBIT A



## BRYCE HAAS/ B&C "FAYETTE" STONE QUARRY CHRONOLOGY

June 16, 1999	ML 48313-MP approved, containing 80 acres and having a one-year term effective July 1 1999, for Bryce Haas to open up the Fayette stone quarry. (DOGM S/039/013)
April 26, 2000	ML 48313-MP amended, extending the term of the permit to three years and placing the royalty rate on a product-based schedule.
March 3, 2001	ML 48313-MP amended to add adjacent acreage disturbed in trespass by the lessee. Total lease acreage of 119.70 acres.
August 15, 2001	ML 48313-MP again amended to add adjacent acreage disturbed in trespass by the lessee. Total lease acreage of 159.70 acres.
June 30, 2002	ML 48313-MP expires and lessee and SITLA enter negotiations for a replacement contract.
October 23, 2002	ML 48949-OBA approved as a new ten year lease, effective July 1, 2002 covering both the Fayette Quarry and the Gunnison Quarry (located several miles away) which are owned by the lessee upon trust lands. The new lease is in the name of both B&H Stone Supply and Bryce Haas.
December 31, 2004	ML 48949-OBA amended to reduce the royalty rate and make the quarry more competitive in the marketplace.
December 15, 2006	ML 48949-OBA cancelled following the bankruptcy of B&H Stone Supply. Bryce Haas decides to close the Fayette Quarry. Two succession leases are issued with Bryce Haas as the lessee, effective January 1, 2007: ML 50575 is a one-year lease on the Fayette Quarry, explicitly issued to enable a right of entry for Haas to perform reclamation of the site; ML 50576 is a ten-year lease on the Gunnison Quarry, issued to enable continuing mining operations at that site.
December 31, 2007	ML 50575 expires without the completion of reclamation of the Fayette Quarry by the Lessee.
January 9, 2008	Letter from SITLA to Bryce Hass, advising him that he must remove all equipment and personal property from the Fayette leasehold no later than February 29, 2008.
January 31, 2008	Letter from Bryce Haas to SITLA requesting an extension of 60 to 90 days to remove equipment and complete reclamation of the Fayette Quarry.
February 7, 2008	Letter from SITLA to Bryce Haas granting until May 31, 2008 to remove equipment and complete reclamation of the Fayette Quarry.
Mid-March, 2008	Meeting between DOGM (Susan White), SITLA (John Blake) and Bryce Hass at the Fayette Quarry to pin down reclamation plans for the site.



April 11, 2008	ML 51303-MP approved as a one-year permit, effective May 1, 2008, explicitly to enable right of entry for Bryce Haas to reclaim the Fayette Quarry as per commitments he made at the Mid-March meeting.
July 16, 2008	Letter from SITLA to Bryce Haas expressing concern that he has not commenced reclamation of the Fayette Quarry under the new one-year permit that was granted for that purpose.
April 30, 2009	ML 51303-MP expires without the completion of reclamation of the Fayette Quarry. Lynn Kunzler (DOGM) calls John Blake (SITLA) and relays a message from Bryce Haas that he has not completed reclamation of the Fayette Quarry due to equipment problems.
May 4, 2009	Director approves a thirty-day informal right of entry for Bryce Haas to complete reclamation of the Fayette Quarry. Letter is sent to Haas by SITLA, informing him of extension and encouraging him to complete the work by the end of May, 2009.
June 1, 2009	Site inspection of the Fayette Quarry by SITLA finds that no significant reclamation work was performed during the thirty-day extension. In fact, there is no equipment on site to perform the work.
June 8, 2009	Haas calls John Blake, SITLA, and says he has been working to reclaim the Gunnison Quarry and will now reclaim the Fayette Quarry. He requests a short extension of time to finish up the reclamation work. Director grants a 45 day informal right-of-entry for Bryce Haas to complete reclamation of the Fayette Quarry. A letter is sent to Haas advising him of the 45 day allowance for completing the work.
August 12, 2009	On-site inspection by SITLA reveals that little, if any, reclamation of the Fayette quarry was performed during the 45-day extension period. The operator has no equipment on site to perform the work.
August 20, 2009	Letter from SITLA to DOGM requesting that the reclamation bond for the Fayette Quarry be forfeited and that DOGM perform the reclamation work. This action is affirmed on the Directors Minutes of August 24, 2009.
May 6, 2010	Bryce Haas calls John Blake, SITLA, and requests permission to remove stone stockpiles from the property. Permission is denied since Haas has failed to meet any of his earlier commitments to reclaim the property and no longer has any right of entry.
May 10, 2010	Letter from SITLA DOGM, affirming that Bryce Haas no longer has any legal right of entry to the property, and once again requesting that DOGM forfeit the reclamation bond and perform the reclamation work.

John T. Blake  
SITLA Trust Land Specialist  
1/23/2011